

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NICHOLAS COUNTY	)	
WATER DISTRICT FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY TO	)	CASE NO.
CONSTRUCT, FINANCE, AND ESTABLISH	)	2000-450
SURCHARGE PURSUANT TO THE PROVISIONS	)	
OF KRS 278.023	)	

O R D E R

On September 22, 2000, Nicholas County Water District (“Nicholas Water”) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and establish a surcharge for a \$1,654,000 waterworks improvement project. This project, Water System Improvements, Phase V, consists of the installation of approximately 43.6 miles of 3” and 4” water lines to provide water service to approximately 200 new customers, and the construction of a 1,280 square foot office building. Project funding is through the issuance of \$858,000 of Nicholas Water’s Waterworks Revenue Bonds maturing over a 40-year period at an interest rate not exceeding 4.375 percent per annum, a Rural Development (“RD”) Grant in the amount of \$700,000, a contribution from the Nicholas County Fiscal Court in the amount of \$35,000, and a contribution from the applicant in the amount of \$61,000.

Nicholas Water’s application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue

the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on September 22, 2000, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Nicholas Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Nicholas Water's proposed plan of financing with RD is accepted.

3. Nicholas Water is authorized to issue bonds not to exceed \$858,000.

4. Nicholas Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Nicholas Water shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

6. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

7. Nicholas Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

8. Three years from the effective date of this Order, Nicholas Water shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 19<sup>th</sup> day of October, 2000.

By the Commission

ATTEST:

Deputy W. H. Fowler  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-450 DATED OCTOBER 19, 2000

The following rates and charges are prescribed for the customers in the area served by Nicholas County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### Monthly Rates

A \$5.00 per month surcharge will be assessed to all new customers within the Phase V project area.